

May 16, 2002

Subject: Request For Information Regarding the FCC Forms 1240 and 1205 Filed April 1, 2002 with

Dear Mr. :

Cable of ("County") is in the process of reviewing the cable rate filings of (" " or "Company"). This review is of the FCC Forms 1240 and 1205 filed April 1, 2002. The County has retained CPAs, PLC (" ") to assist with the review. You are requested to respond fully to all the following requests and file the necessary supplementary filing by close of business June 7, 2002. If you have any objections to any of the questions, the objections shall be filed by May 29, 2002. The County intends to rely upon the information provided in reviewing the aforementioned filings and in determining whether you have carried your burden of proof. Therefore, responses should be complete and you should err on the side of disclosure rather than limitation. As the FCC has pointed out, "authorities regulating basic service have authority to deem a nonresponsive operator in default, Third Order on Reconsideration, in MM Docket 92-266, FCC 94-40 ¶ 84, ¶¶ 88-90.

All answers should be based on actual information for the area wherever that is possible. In any case, where data for County must be derived from data for a larger area by allocation or estimate, should submit a verified statement (1) that there is no such actual information for the County area; and (2) explaining precisely what data was used and how data was allocated or estimated for the County area; and (3) stating whether the same or different allocation or methods of estimation have been used to allocate to other franchise areas. If different methods have been used in this community and others, or if the same allocations are used and those allocations, as applied, result in different rates for the same equipment, the verified statement should explain why the Company feels its allocation method is appropriate.

May 17, 2002

Page 2

We seek this information (1) to prevent evasion and manipulation of the rate regulation process through cost allocation processes that over-recover costs or allocate costs on a basis that is likely to result in arbitrary results; and (2) to ensure the County is fully informed as to the methods used to derive rates. One way to test the data is to consider how the allocation processes adopted by the operator function across franchise areas. We also plan to test estimates very closely. Hence, we need to know what data is estimated if _____ states that actual information is "not available." The County will not accept actual information that may be proffered by _____ later to rebut the County's analyses of proposed estimates. It is incumbent upon _____ to respond fully the first time. Each answer should identify the person or persons relied upon for the information. If necessary, that person may be asked to appear before the County to respond to additional questions.

FCC FORM 1240

1. The following question relates to the Form 1240 generally. Our goal, in part, is to ensure we understand your methodology fully and to double-check the data you claim to have used and to evaluate its source and reliability.
 - a) Please provide all documents (whether in hard copy or computer format) used in developing the Form 1240 you submitted. This should include identification and explanation of any areas or methodologies where the Company is deviating from its prior filings with the County.
2. **Proposed Rates - Form 1240.** We require the information requested in the following, among other reasons, in order to determine whether you have complied with (a) uniform rate provisions of Federal law, 47 U.S.C. § 543 (d), Third Order ¶¶ 18-29; (b) your obligation to justify all regulated rates; and (c) your obligation to submit a properly filled out Form 1240. Please note that we are seeking information regarding rates even if you believe those rates may not be subject to regulation so that we can identify any dispute as to what should and should not be reviewed as part of this process.
 - a) For Module B, please:
 - i) Provide CableData (or CableData like reports) that support for the number of subscribers by month used in the determination of the amount shown on Line B1 for the True-Up Period [These reports should show ALL classes of customers that are provided the Basic Tier of service whether the account is billed or not, including complimentary accounts];
 - ii) Identify and explain any adjustments _____ has made to the CableData amounts to derive the number of subscribers shown on Line B1; and,
 - iii) Provide detailed support of the calculation of "Bulk Equivalents" for each month of the True-Up Period.

May 17, 2002

Page 3

- b) Please provide support for programming costs for each channel by month for each month of the True-Up Period.
 - c) Please provide support for programming costs for each channel by month forecasted for the Projected Period.
 - d) For worksheet titled "CATV Calculation of Copyright", please explain and provide support for the "Royalty Fee Paid for Period" of \$215,077.47 and \$209,285.25 including identifying the area the "Fee" is applicable to and if any of the fee is related to programming carried on a tier other than the basic tier.
 - e) Regarding the worksheet titled "Franchise Related Costs", please provide support for the changes from the prior year's filing.
3. Please provide rate cards listing all rates, charges and fees applicable to subscribers and line-up cards effective for each month from March 1, 2001 through and including July 1, 2002.
4. Concerning Worksheet 3, please:
- a) Identify the channel added in "Month 1";
 - b) Identify the channel removed in "Month 10"; and,
 - c) Provide an explanation and reconciliation by channel of the programming between the prior 1240 filing that listed 38 channels on the Basic Tier, the June 22, 2001 line-up card listing 37 channels on the Basic Tier, and the listing of each channel attached to the instant filing that only shows 35 channels at March 1, 2001. It seems the prior filing showed Court TV, Interfaith Channel and QVC on the Basic Tier. Additionally, neither the prior filing nor the instant filing includes "The Open Channel" in the channel count.

FCC FORM 1205

5. The following question relates to the Form 1205 generally. Our goal, in part, is to ensure the County understands your methodology fully and to double-check the data you claim to have used and to evaluate its source and reliability. Please provide all documents (whether in hard copy or computer format) used in developing the Form 1205 you submitted. The response should include spreadsheets, notes on conversations with any person regarding information taken into account in filling out the Form 1205 (e.g., conversations regarding time required to perform a task), notes concerning possible allocation methods, and the data relied upon (e.g., calculating the book value of converters, the number of converters in the field, the number of subscribers and the like).
6. Please provide accumulated depreciation and annual depreciation expense by vintage year by type of asset for each year for Schedule A assets.
7. Please provide accumulated depreciation and annual depreciation expense by vintage year by type of equipment for each year for Schedule C assets.

May 17, 2002

Page 4

8. Regarding "Schedule D Average Hours Per Installation", please provide the required explanations of and supporting documents for each time shown.
9. Regarding the worksheet "County Allocated Maintenance Facility", please detailed provide support for each of the following components of the "Allocation of Telephone Equipment for Installation/maintenance equipment & plant" such that the amounts can be recreated:
 - a) Total Equipment & Installation Phone Calls of 272,219;
 - i) Explain if a call can be counted twice or divided between functions;
 - ii) If a call cannot be divided between functions, how is it classified;
 - iii) Describe in detail all functions that are incorporated into "Phone calls for Sales Marketing: Orders Placed" including but not limited to identifying all programming (Basic CPS, Premium, Pay-Per-View, other) and services (programming, high-speed Internet, equipment, guide, other) that are discussed with the caller;
 - iv) Describe in detail all functions that are incorporated into "Phone calls for Service: Education/Inquiry" including but not limited to identifying all programming (Basic CPS, Premium, Pay-Per-View, other) and services (programming, high-speed Internet, equipment, guide, other) that are discussed with the caller;
 - v) Describe in detail all functions that are incorporated into "Phone calls for Service: Resolved by Phone" including but not limited to identifying all programming (Basic CPS, Premium, Pay-Per-View, other) and services (programming, high-speed Internet, equipment, guide, other) that are discussed with the caller;
 - vi) Describe in detail all functions that are incorporated into "Phone calls for Service: Need Service Call" including but not limited to identifying all programming (Basic CPS, Premium, Pay-Per-View, other) and services (programming, high-speed Internet, equipment, guide, other) that are discussed with the caller;
 - vii) Explain and provide support for the percentage of service calls that are related to equipment problems (converters and remotes only) specific to the provision of cable television service and not @Home service; and,
 - viii) Explain and provide support for the percentage of service calls that are installations specific to the provision of cable television service and not high speed internet service.

May 17, 2002

Page 5

- b) Total Phone Calls of 1,615,135; and,
 - c) Explain the decrease in total calls from 2,189,067 in the prior filing to 1,615,135 in the instant filing.
10. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Schedule B Salaries & Benefits", please:
- a) Provide detailed support for each of the following:
 - i) Wages/Salaries Install of \$1,972,850;
 - ii) Wages/Salaries of \$8,440,416;
 - iii) Overtime of \$1,660,930;
 - iv) Payroll Taxes of \$805,483; and,
 - v) Employee Benefits of \$1,098,410.
 - b) Provide salaries/wages by each division for the Technical Department; and,
 - c) Provide overtime by each division for the Technical Department.
11. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Schedule B Supplies", please provide support for each amount shown.
12. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Schedule B Installation Materials/Supplies", please provide support for each amount shown and explain any variances from the same schedule in Comcast's revised 1205 filed with the County.
13. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Schedule B Other Taxes", please provide support for each amount shown.
14. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Schedule B Vehicle Repairs & Maintenance", please:
- a) Provide support for the amount shown for "Vehicles Maintenance/Repair/Fuel"; and,
 - b) Explain if the allocation applied should be 17.04% instead of the 52.52% shown.
15. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Contractor Installs Schedule B", please:
- a) Provide copies of all contractor invoices for the year ended December 31, 2001; and,
 - b) Explain the reason and purpose for the methodology used for determining tasks and hours for Codes 590 Digital Converter and 591 Additional Digital Converters.

May 17, 2002

Page 6

16. Regarding the worksheet "Cable Converter Maintenance Provision Directly Allocated to Schedule C", please provide detailed support for each of the following:
- a) Wages Converter Process of \$304,217;
 - b) Converter Maintenance of \$51,402;
 - c) Training Ops of \$94,518;
 - d) Rent of \$1,074,109; and,
 - e) Utilities of \$165,457.
17. Regarding the worksheet "Cable 2001 FCC Form 1205 Information Schedule C, Hours", please:
- a) Identify the departments and labor categories responsible for performing the following tasks listed under "Setup Time" for each type of equipment and describe in detail the functions performed:
 - i) "Testing Time";
 - ii) "Install Prep Time";
 - iii) "Remote Key-in";
 - iv) "Paperwork Completion";
 - v) "Converter Burn-in";
 - vi) "Install, Activate & Explain";
 - vii) "Est. hrs. of installation"; and,
 - viii) "Est. hours for replacement";
 - b) Explain and provide support for the determination of the "Churn percentage" for:
 - i) Remotes of 43.01%; and,
 - ii) Addressable converters of 41.32%.
 - c) Explain and provide support for the determination of the "Est. failure rate" for:
 - i) Remotes of .18%;
 - ii) Addressable converters of 3.12%; and,
 - d) Provide support for the number of "Units Mailed" for remotes.
18. Regarding the worksheet "County Installation/Maintenance Hours", please:
- a) Provide support for the number of installs performed "Inhouse";
 - b) Explain the increase in "Avg. Hours per Task" for Re-install and Reconnect;

May 17, 2002

Page 7

- c) Explain in detail and provide support for the determination of the number of Employees of "65.28", including an explanation of the increase from "45.13" of the prior filing; and,
 - d) Explain and provide support for:
 - i) "Annual vacation hours" of 85.94;
 - ii) "Annual holiday hours" of 67.18;
 - iii) "Annual average personal leave hours" of 20.77; and,
 - iv) "Annual required training hours" of 79.33;
 - e) Indicate the number of hours of training by install employee for the year 2001 (between but not including December 31, 2000 and January 1, 2002);
 - f) Indicate the number of hours of vacation taken by install employee for the year 2001 (between but not including December 31, 2000 and January 1, 2002); and,
 - g) Indicate the number of hours of personal leave taken by install employee for the year 2001 (between but not including December 31, 2000 and January 1, 2002).
19. Please explain in detail capitalization policy regarding installations, including but not limited to:
- a) Does capitalize the cost of the service drop to a home or business?
 - b) Does capitalize the initial install of a home or business?
 - c) Does capitalize the prewired initial install of a home or business?
 - d) Does capitalize the initial install of any/all additional outlets in a home or business?
 - e) Please provide the total gross amount capitalized per books for the County system, the net amount capitalized per books for the County system and the depreciable life of the asset.
20. Please explain the policy of concerning replacing remotes, non-addressable converters and addressable converters and indicate what percentage of them is mailed to subscribers and what percentage of subscribers come into the office and change out the equipment in person.
21. Please provide any additional information that believes would be helpful or needed in reviewing and understanding the filed 1205.

May 17, 2002
Page 8

The above requested information should be provided to the County and a copy sent by overnight delivery to

. If you have any questions, please call at

Sincerely yours,